

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6409

BILL NUMBER: SB 89

NOTE PREPARED: Mar 21, 2005

BILL AMENDED: Mar 17, 2005

SUBJECT: Lighting and Marking of Agricultural Equipment.

FIRST AUTHOR: Sen. Jackman

FIRST SPONSOR: Rep. Cherry

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill:

- (1) provides that an implement of husbandry or a farm tractor manufactured after June 30, 2006, must be fitted with equipment that meets certain national standards when operated on a highway;
- (2) changes the defined term "implement of husbandry" to "implement of agriculture" for purposes of the motor vehicle code, and requires the Bureau of Motor Vehicles (BMV) to determine categories of implements of agriculture by rule;
- (3) redefines the terms "farm tractor" and "tractor" for purposes of the motor vehicle code;
- (4) defines "special machinery" and sets a fee for registration;
- (5) makes it a Class C infraction (and a Class B infraction for a second offense within three years) to operate or own a farm truck, farm trailer, or farm semitrailer and tractor if the vehicle is used for certain commercial enterprises;
- (6) revises the definitions of "law enforcement officer" and "police officer" for purposes of the motor vehicle code to include a motor carrier inspector (inspector), and gives an inspector authority over violations of certain offenses involving a farm truck, farm trailer, or farm semitrailer;
- (7) requires the BMV to adopt rules to identify and define "farm truck", "farm trailer", and "farm semitrailer and tractor";
- (8) prohibits a police officer from impounding certain farm products when a vehicle is discovered in violation of registration requirements, and removes the penalty against an officer for a reckless violation of this provision;
- (9) revises the exclusion of certain garden tractors from the application of the Waste Tire Management Fund fee;
- (10) repeals the definitions of "farm machinery", "farm tractor used in transportation", and "special farm

machinery", and repeals references to those terms within the motor vehicle code;
(11) deletes an obsolete reference to a financing statement for a farm tractor;
(11) repeals the license fee for certain vehicles used in farming operations;
(13) makes conforming amendments;
(14) provides for a 30-day registration for farm trucks, farm trailers, or farm semitrailers and tractors operated intrastate to transport farm products after the commodities have entered the channels of commerce; and
(15) requires the Criminal Justice Institute to adopt rules for the design of a slow-moving vehicle emblem.

Effective Date: (Amended) Upon passage; July 1, 2005.

Explanation of State Expenditures: (Revised) (2) For the BMV there will be printing and computer expenditures of an estimated \$5,000 associated with this proposal. The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

(8) The bill prohibits a police officer from impounding certain farm products when a vehicle is discovered in violation of registration requirements, and removes the penalty against an officer for a reckless violation of this provision. This will have an impact on the State Police and will depend upon the number of such occurrences and the time involved. The funds affected are the state General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund. It also revises the definition of law enforcement officer and police officer to include motor carrier inspectors.

(14) For the BMV there will computer changes to accommodate the newly established use period for farm vehicles. At this time, this expenditure level is not known, but will be included upon receipt of the necessary data from the BMV. The Fund affected is the Motor Vehicle Highway Account. In addition, the BMV will be required to issue some type of documentation to identify those use farm vehicles under the newly established use period. If stickers are used, the cost is \$.14 per sticker. If temporary paper plates are used, the cost per plate is either \$.47per plate or \$.43 per plate.

(15) The Criminal Justice Institute currently has rule-making authority. The rules regarding the design of a slow moving vehicle emblem can be accomplished with no additional expenditures.

Explanation of State Revenues: *Summary:* The bill is estimated to increase revenues by \$614,888 annually.

(3) The proposal repeals the \$11.75 registration fee for farm tractors. In CY 2003, there were 64 farm tractors registered. Based on the 64 registrations, the revenue loss would amount to \$752. The funds affected are the Motor Vehicle Highway Account, the Crossroads 2000 Fund, the BMV Technology Fund, and the State License Branch Fund.

In addition, the bill removes the farm trailers plated at 12,000 lbs. In CY 2003, the 5,473 vehicles in the 12,000 lbs. category paid a total of \$224,260. With the elimination of the 12,000 lbs. category, these vehicles now will pay an additional \$109,640 in registration fees. The fund affected is the Motor Vehicle Highway Account.

(4) The proposal also defines "special machinery". In CY 2003, there were 11,950 vehicles classified as "special machinery . It is assumed that 11,000 of these vehicles no longer will be classified as "special machinery , but instead will be classified as a farm trailer 16,000 lbs. The fee for "special machinery is \$16.75, while the fee for a farm trailer 16,000 lbs. is \$62.75, a difference of \$46. The net revenue increase is estimated at \$506,000.

(5) *Penalty Provision:* The bill provides for a Class C infraction for the first offense and a Class B infraction for the second offense. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500, and \$1,000 for a Class B infraction, both of which are deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

(9) *Waste Tire Management Fund Exclusion:* The bill changes the horsepower requirement for a lawn and garden tractor from 20 horsepower to 25 horsepower for imposition of the Waste Tire Management Fund fee. With this change, fewer new tires purchased will be subject to the \$0.25 fee. The fund affected is the Waste Tire Management Fund. The reduction in revenue attributable to lawn and garden tractors between 20 and 25 horsepower is not known.

(14) This provision provides for an additional fee of 8.25% of the total fee for a particular weight class for the 30 day period. The potential revenue impact will depend upon the weight class of the vehicles involved and the attendant annual fee, along with the number of such occurrences. The funds affected are the MVHA, Crossroads 2000, the BMV Technology Fund, the state License Branch Fund, the Highway Road and Street Fund, the Local Road and Street Account, and the Public Safety Fund.

Explanation of Local Expenditures: (8) This provision will have an impact on local law enforcement and will depend upon the number of such occurrences and the time involved.

Explanation of Local Revenues: *Effects on Commercial Vehicle Excise Tax (CVET) Rates:* Much like the way property tax rates are set, the rate at which CVET is charged is determined by dividing the base CVET revenue for a year by total registration fees. So, if registration fee revenue increases, then the CVET rate is reduced. The increase in registration fees for some farm vehicles as a result of this bill would result in an estimated shift of the CVET tax burden from nonfarm vehicles to farm vehicles of about \$300,000 per year beginning in CY 2006.

State Agencies Affected: Bureau of Motor Vehicles; State Police; Department of Environmental Management; Criminal Justice Institute.

Local Agencies Affected: Recipients of MVHA distributions; local law enforcement agencies.

Information Sources: Bureau of Motor Vehicles Cash Audit CY 2003; Criminal Justice Institute.

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